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MEMORANDUM

To: Council of Mayors Executive Committee

Date: February 20, 2009

From: CMAP Staff

Re: American Recovery and Reinvestment Act of 2009

President Obama signed the American Recovery and Reinvestment Act (ARRA) into law on February 17. The Recovery Act provides funding for infrastructure, including transportation funds to be programmed by the CMAP Council of Mayors. According to IDOT, approximately \$180 million federal dollars will be available for the city of Chicago and the eleven subregional Councils. Attached is a "marks table" showing the amounts available to each Council.

The intention of the Recovery Act is to stimulate job creation and provide other benefits to the struggling economy. We are committed to a process that prioritizes projects not only to create jobs in the near-term, but that will also enhance the economic position of northeastern Illinois. Project selection should consider both the level of jobs created and the longer-term economic benefits. Since project sponsors will be required to track and report on these impacts, it is all the more important to consider job creation and economic benefits when selecting projects. CMAP is currently working on developing methods and software for this purpose and can provide assistance to the councils and project sponsors.

The Act specifies that funds must be obligated within one year of allotment. The federal funding available through the Act is available at 100 percent with no local match required. If the Council prefers to include matching funds, that is acceptable. Projects funded through the ARRA must meet all federal eligibility requirements including that they be on the federal system. Please note that there are restrictions on using ARRA funds for cost overruns.

The Council of Mayors Executive Committee will meet on March 3 and the Policy Committee on March 12 to discuss the programming of Recovery Act funds. CMAP is committed to assisting the region in expending these funds appropriately and efficiently. The CMAP Transportation Committee will be acting on the first round of Recovery Act projects at its March 6 meeting. To accommodate Councils that may be ready to include Recovery Act projects in the TIP, the public comment notice on TIP changes released on February 27 for the March 6 meeting will include the information that some of the projects identified as STP funded projects may, in fact, be using Recovery Act funds.

If you have questions, please contact Don Kopec at 312.386.8725 or Patricia Berry at 312.386.8742.